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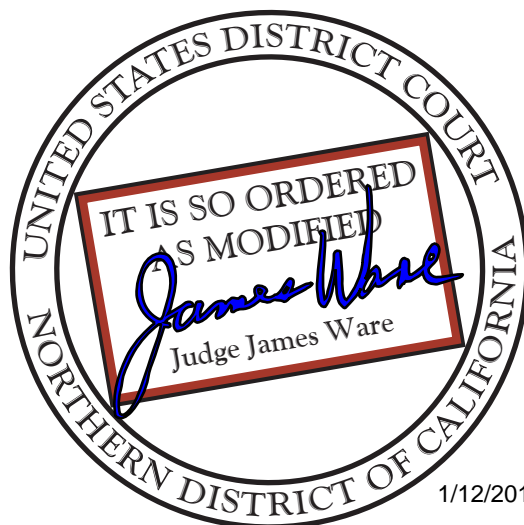
Attorneys for Defendants
WORLD SAVINGS BANK, FSB
renamed and now known as
WACHOVIA MORTGAGE, FSB

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Attorneys for Plaintiff
BERNARDO REYES



1/12/2010

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA -- SAN JOSE DIVISION

BERNARDO REYES,

Plaintiff,

v.

PREMIER HOME FUNDING, INC., a
California corporation; WORLD SAVINGS
BANK, FSB; WACHOVIA BANK, N.A.; and
JOEL MADERA CANDELARIO,

Defendants.

) Case No. C08 04606 JW
)
) [Hon. James Ware, District Judge]
)
) STIPULATION FOR ORDER FOR LEAVE
) TO FILE CROSS-COMPLAINT BY WORLD
) SAVINGS BANK, FSB renamed and now
) known as WACHOVIA MORTGAGE, FSB
) AGAINST THIRD PARTY
)
) Trial Date: May 12, 2010

The parties hereby stipulate by and through their respective counsel as follows:

1. Defendants and Cross-complainants World Savings Bank, FSB renamed and now known as Wachovia Mortgage, FSB may be given leave to file the proposed cross-complaint attached as Exhibit A.

Dated: October 28, 2009

ANGLIN, FLEWELLING, RASMUSSEN
CAMPBELL & TRYTTEN LLP

By: /s/ Frederick J. Hickman

Frederick J. Hickman
fhickman@afrc.com

Attorneys for Defendants and Cross-Complainants
World Savings Bank, FSB renamed and now
known as Wachovia Mortgage, FSB

Dated: October 28, 2009

FAIR HOUSING PROJECT LAW
FOUNDATION OF SILICON VALLEY

By: /s/ Annette D. Kirkham

Annette D. Kirkham
annetek@lawfoundation.org

Attorneys for Plaintiff and Cross-defendant
BERNARDO REYES

ATTESTATION PURSUANT TO GENERAL ORDER 45

I, Frederick J. Hickman, attest that concurrence in the filing of this document has been obtained from each of the signatories. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on October 28, 2009, at Pasadena, California.

/s/ Fred Hickman

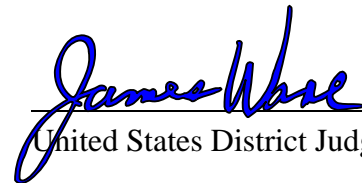
Frederick J. Hickman

ORDER

For good cause shown by the parties' Joint Stipulation for Leave to File Cross-Complaint,
IT IS ORDERED THAT:

World Savings Bank, FSB renamed and now known as Wachovia Mortgage, FSB have
leave to file the cross-complaint attached as Exhibit A. The Cross-complaint shall be filed as
a *separate* docket entry on or before **January 15, 2010**.

Dated: January 12, 2010


United States District Judge

Frederick J. Hickman (#124406)
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WORLD SAVINGS BANK, FSB
renamed and now known as
WACHOVIA MORTGAGE, FSB

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA -- SAN JOSE DIVISION

BERNARDO REYES,	) Case No. C08 04606 JW
)
Plaintiff,	) [Hon. James Ware, District Judge]
)
v.	) CROSS- CLAIM BY WACHOVIA
	) MORTGAGE, FSB AGAINST THE
PREMIER HOME FUNDING, INC., a	) ESCROW FORUM, a California corporation,
California corporation; WORLD SAVINGS	) FOR:
BANK, FSB; WACHOVIA BANK, N.A.; and)
JOEL MADERA CANDELARIO,	) 1. IMPLIED CONTRACTUAL
	) INDEMNITY;
Defendants.	) 2. EQUITABLE INDEMNITY
)
)
WACHOVIA MORTGAGE, FSB;)
)
Cross-claimant,)
)
v.)
)
THE ESCROW FORUM, a California)
corporation,)
)
Cross-defendant.)

///

///

///

1 The parties hereby stipulate by and through their respective counsel as follows:
 2 Defendant and Cross-claimant Wachovia Mortgage, FSB (“Cross-claimant”) alleges as
 3 follows:

4 1. This court has supplemental jurisdiction pursuant to 28 USC §1367 (a), which
 5 allows the court to adjudicate state law claims that are transactionally related to the federal
 6 claim under the Truth in Lending Act alleged by Bernardo Reyes (“Reyes”) in his complaint.
 7 This includes claims against any properly-joined new parties. *Id.* As alleged below, this
 8 cross-claim is transactionally related to Reyes’ federal claim.

9 2. Cross-claimant Wachovia Mortgage, FSB is and at all pertinent times has been a
 10 federal savings association organized and existing under the federal Home Owners Loan Act,
 11 12 U.S.C. § 1461 *et seq.* and regulated by the Office of Thrift Supervision, Department of the
 12 Treasury. Prior to January 1, 2008, Wachovia Mortgage, FSB was known as “World Savings
 13 Bank, FSB.” Effective as of December 31, 2007, World Savings Bank, FSB changed its name
 14 to Wachovia Mortgage, FSB. Hereafter, for ease of reference Wachovia Mortgage, FSB,
 15 formerly known as World Savings Bank, FSB, will be referred to as “Wachovia” or Cross-
 16 claimant.

17 3. Wachovia made a loan (“Loan”) on or about October 5, 2007 to Reyes. The
 18 Loan was secured by a deed of trust in first priority against by Reyes’ residence, commonly
 19 known as 14030 Aldo Ct., San Jose, California 95127 (hereinafter, the “Security”).¹

20 4. Cross-defendant, The Escrow Forum, is a California corporation that acted as
 21 Wachovia’s closing agent for the Loan., pursuant to written instructions. Cross-complainant
 22 is informed and believes and thereon alleges that cross-defendant’s agent or employee, Paul
 23 Sepulveda, was the escrow officer principally responsible for the management of Cross-
 24 defendant’s conduct in executing Wachovia’s instructions for consummation of the Loan on its

25 ¹ While the cross-claim relates to a loan secured by California real property, this suit does not
 26 seek to enforce the Loan, but rather to preserve all rights and interests related to the Loan and its
 27 Security. Accordingly, by this action and any claims made herein, Cross-claimants do not intend
 28 to waive or compromise the Security for the Loan or the full obligation of the Loan itself in any
 respect, or to violate the anti-deficiency or one-action rules set forth in the *California Code of
 Civil Procedure* §§ 580a, 580b, 580d, 726 or otherwise.

1 part as Cross-claimant's closing agent.

2 OPERATIVE FACTS

3 5. On or about October 3, 2008, Reyes filed this case against Wachovia, among
4 others, alleging claims purportedly arising from the Loan. Among other things, Reyes alleges
5 violation of certain duties incumbent on a lender under the Truth in Lending Act, 15 U.S.C. §
6 1601 *et seq.*, including:

7 [That] on the night Mr. Reyes signed the closing documents of the aforementioned
8 transaction [*i.e.*, the Loan], Defendants provided *no copies of any* of the loan
9 documents, including the document notifying Mr. Reyes of his right to rescind. Mr.
10 Reyes was provided with a copy of his Notice of Right to Cancel, and other loan
11 documents, weeks after the loan closed. He then attempted to rescind but was told that
12 it was "too late."

13 Reyes First Amended Complaint, ¶13 (emphasis in original).

14 6. Cross-defendant had a contractual duty to Cross-claimant to provide Reyes with
15 the Notice of Right to Cancel ("Notice"), and to obtain his signature on the Notice prior to or
16 concurrent with the closing, as well as to provide other documents and disclosures necessary
17 for loan origination, and also to obtain Reyes signature on some of the same, pursuant to
18 written instructions from Cross-claimant, as described herein. Prior to the Loan closing,
19 Wachovia and cross-defendant The Escrow Forum entered into a written contract ("Contract")
20 by which The Escrow Forum agreed to serve as Wachovia's "closing agent" in connection
21 with the Loan. The agreement is memorialized by, "Amended Lender's Closing Instructions,"
22 dated October 5, 2007. A true and correct copy of the "Amended Lender's Closing
23 Instructions" ("Closing Instructions" or "Contract") is attached as Exhibit 1 and incorporated
24 by reference herein.

25 7. In the Closing Instructions, cross-defendant committed itself and warranted to
26 Wachovia, *inter alia*, that it would comply with all instructions and conditions in the Closing
27 Instructions before closing the Loan and paying out any of Wachovia's funds. (Ex. 1, Section
28 1 ¶2). Cross-defendant further committed itself to and warranted it would assure: "the

1 authenticity of the signatures of each party executing each document..." and "all original
2 documents must be signed and dated were applicable." (*Id.* at parag. 4).

3 8. The Closing Instructions further provide:

4 [Y]ou are instructed to have the following documents properly executed and notarized
5 (as required). Documents to be reported must be submitted for recording immediately
6 upon settlement. See Page 2 for instructions for returning documents. ON THE DAY
7 THE DOCUMENTS ARE SIGNED, YOU MUST GIVE BORROWERS A COPY OF
8 ALL DOCUMENTS IN CONNECTION WITH THIS LOAN.

9 Ex. 1, Section 7, emphasis in original.

10 9. The Closing Instructions list the documents subject to the instruction quoted in
11 Paragraph 11, above. The listed documents include the Notice. (*Id.*).

12 10. Based on the alleged failure by Cross-defendant to provide him with the Notice
13 and other loan documents as set forth in the allegation quoted in paragraph 9 above, Reyes
14 seeks rescission of the Loan and damages.

15 11. Cross-claimants are now forced to defend this action which, if Reyes'
16 allegations are correct, is the proximate result of culpable conduct by cross-defendant in
17 violation of the Closing Instructions.

18 12. Cross-claimant therefore seek indemnity based on the theories alleged below.

19 FIRST CLAIM FOR RELIEF

20 (Implied Contractual Indemnity against The Escrow Forum by Wachovia)

21 13. Wachovia incorporates the allegations of paragraphs 1 through 12 as though set
22 forth in full.

23 14. Wachovia complied with each and every term, condition and covenant required
24 of it by the Contract.

25 15. While Wachovia does not concede the truth of Reyes' complaint and is
26 vigorously contesting it, Wachovia hereby demands of The Escrow Forum that it comply with
27 its implied covenant to indemnify Wachovia for all damages, defense costs, settlement
28 payments, judgments and fees it incurs as a proximate result of the Reyes complaint. To date,

1 The Escrow Forum has failed and refused to comply with, and has breached its implied
2 covenant to indemnify Wachovia.

3 16. As a proximate result of the breach of implied covenant by The Escrow Forum,
4 Wachovia has suffered damages in a sum subject to proof.

5 17. As a result of Wachovia's demand on The Escrow Forum for indemnity and the
6 cross-defendant's refusal, Wachovia is entitled to an award against cross-defendant of its
7 attorneys' fees, costs, and expenses incurred to defend itself in a sum according to proof under
8 *Code of Civil Procedure* section 1021.6.

9 SECOND CLAIM FOR RELIEF
10 (Equitable Indemnity--Against Cross-defendant)

11 18. Cross-claimants reallege and incorporate herein paragraphs 1-17.

12 19. Cross-claimant has been or will be damaged as a proximate result of the
13 negligent, improper, inequitable or illegal conduct of the cross-defendant. Such damages have
14 arisen and continue to arise from the alleged failure by cross-defendant to provide Reyes with
15 the Notice and, allegedly, to obtain his signature. Cross-claimants have also suffered
16 additional damages in that the enforcement of the Loan and Security has been made more
17 difficult and costly, and if the allegations are proved at trial, will potentially subject the Loan
18 to rescission pursuant to the Truth In Lending Act, with a concomitant loss of interest and
19 closing costs actually paid by Reyes, and which jeopardizes the Security.

20 20. The conduct of Cross-claimant with respect to the Notice and the Loan and the
21 execution of the Closing Instructions and Contract, which were entirely within the control of
22 Cross-defendant. Cross-claimant is entitled to equitable indemnity from Cross-defendant in a
23 sum according to proof.

24 21. Cross-claimant has demanded and hereby demands that cross-defendant
25 indemnify it, but cross-defendant fails and refuses to do so. Accordingly, Cross-claimant is
26 entitled to an award against cross-defendant of its attorneys' fees, costs, and expenses incurred
27 to defend themselves in a sum according to proof under *Code of Civil Procedure* section
28 1021.6.

PRAYER

ON THE FIRST CLAIM FOR RELIEF

1. For damages for implied contractual indemnity, and for attorneys' fees and costs, pursuant to *California Code of Civil Procedure* section 1021.6;

ON THE SECOND CLAIM FOR RELIEF

2. For damages for equitable indemnity and for attorneys' fees and costs, pursuant to *California Code of Civil Procedure* section 1021.6;

AND GENERALLY,

3. For pre-judgment interest as permitted by law;

4. For costs of suit;

5. And for other relief as determined appropriate by this Court.

Dated: October 28, 2009

ANGLIN, FLEWELLING, RASMUSSEN
CAMPBELL & TRYTTEN LLP

By: /s/ Frederick J. Hickman

Frederick J. Hickman

fhickman@afrc.com

Attorneys for Defendants and Cross-Complainants
World Savings Bank, FSB renamed and now
known as Wachovia Mortgage, FSB

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WORLD SAVINGS	AMENDED LENDER'S CLOSING INSTRUCTIONS
TO: THE ESCROW FORUM 23161 LAKE CENTER DRIVE, SUITE 120 LAKE FOREST, CA 92630 ATTN: PAUL SEPULVEDA (949) 380-9701 Fax # (949) 380-7899 TICOR TITLE COMPANY OF CALIFORNIA 898193-12 BORROWER PHONE NUMBERS HOME: (408) 937-8971 WORK: (408) 892-7436	DATE: October 5, 2007 LOAN NUMBER: 0047328505 CONCURRENT LOAN NO.: N/A GF/ORDER/FILE NO.: 87990 BORROWER(S): BERNARDO MORALES REYES PROPERTY ADDRESS: 14030 ALDO CT SAN JOSE, CA 95127-4101

***** ATTENTION CLOSING AGENTS *****

THESE CLOSING INSTRUCTIONS DATED 10/05/2007 SUPERCEDE AND REPLACE OUR CLOSING INSTRUCTIONS DATED 10/02/2007 WHICH ARE HEREBY WITHDRAWN.

THIS DOCUMENT CONSTITUTES WORLD SAVINGS' CLOSING INSTRUCTIONS FOR LOAN NUMBER 0047328505, WHICH IS TO BE A FIRST LIEN.

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AND VI THIRD PARTY SETTLEMENT SERVICE PROVIDER NAME(S); PAYEES, FEES PAID AT CLOSING BY LENDER; FEES PAID OUTSIDE OF CLOSING, PAGE 4

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PLEASE TAKE A MOMENT TO REVIEW OUR CLOSING INSTRUCTIONS.

QUESTIONS

For questions concerning:

- the closing or funding of this loan, please call our Final Documentation Department at: 1-800-873-7340; or

- the Payoff of an existing World loan, please call our Payoff Department at: 1-800-642-0257.

Note: To ensure quality customer service, your call may be monitored or recorded.

TO REQUEST FUNDS Call the World Savings' Automated Funding System at:

1-800-873-7340

GF440A (2004-03-3)

Page 1

CA

DISTRIBUTION 1 COPY-CLOSER 1 COPY-LOAN CENTER 1 COPY-LOAN FILE



LENDER'S USE ONLY

WM 59

WORLD SAVINGS	LENDER'S CLOSING INSTRUCTIONS
DATE: October 5, 2007 GF/ORDER/FILE NUMBER: 87990 BORROWER(S): BERNARDO MORALES REYES	LOAN NUMBER: 0047328505 CONCURRENT LOAN NUMBER: N/A
SECTION I - GENERAL INSTRUCTIONS	
YOU MUST COMPLY WITH ALL INSTRUCTIONS AND CONDITIONS IN THESE CLOSING INSTRUCTIONS BEFORE YOU CLOSE AND FUND THIS LOAN. EXCEPT AS EXPRESSLY PROVIDED OTHERWISE IN THESE LENDER'S CLOSING INSTRUCTIONS, ANY MODIFICATIONS OR AMENDMENTS HERETO MUST BE IN WRITING AND SIGNED BY WORLD SAVINGS.	
<p>1. AUTHORIZED CLOSING AGENT World Savings ("we") requires that an independent third party, called a "closing agent ("you"), coordinate the settlement of every real estate loan we make. Depending on local custom, a closing agent may be an escrow company, a title insurance company or an attorney. A borrower, a mortgagor or a real estate broker or any other person who is a party to the transaction may not act as the closing agent. You represent and warrant that you are not a party to the transaction. You further represent and warrant that you are an escrow company, a title insurance company or an attorney, duly licensed and legally authorized to perform the services required by these instructions.</p> <p>2. AGREEMENT TO ADHERE TO CLOSING INSTRUCTIONS By closing the above referenced loan, you represent and warrant that you have followed each of the requirements and instructions set forth in these Lender's Closing Instructions.</p> <p>3. IMPORTANT NOTICE - Compliance with the USA Patriot Act, Section 326 <u>U.S. CITIZEN BORROWERS</u> You are instructed to photocopy the borrower(s)' authentic state issued driver's license or other state issued photo identification used to verify the borrower(s)' identity and to forward the photocopy to World Savings with the closing package. <u>NON-U.S. CITIZEN BORROWERS</u> You are instructed to photocopy the borrower(s)' passport or similar foreign government issued picture identification (U.S. state issued driver's license is NOT sufficient) after verifying authenticity of the document and the borrower(s)' identity and forward a legible copy to World Savings with the closing package. The copy must show at least the number of the passport or other document and the picture of the borrower.</p> <p>4. SIGNATURE REQUIREMENTS You warrant the authenticity of the signatures of each party executing each document and the authority of each representative executing any document on behalf of another, except to the extent such signatures are warranted by a United States National Bank. All original documents must be signed and dated where applicable. For Equity Lines of Credit that are <u>not</u> closing concurrently with another World loan: If you were authorized <u>in writing</u> by World to use a signing agent to obtain signatures from the executing parties, you will verify the signing agent's compliance with each of our instructions given in the "Documents To Be Signed At Closing" form.</p> <p>5. NOTARY/WITNESS REQUIREMENTS Our Security Instrument requires acknowledgement/notarization. Prepare and attach notarial acknowledgement(s) with current notarial stamp as required by state law. If state statute so requires, please have each borrower's signature witnessed.</p> <p>6. ALTERATIONS/ERASURES ON DOCUMENTS Alterations or Erasures are not permitted on any document without prior <u>written</u> approval from our Final Documentation department. Any approved alterations or attachments <u>must</u> be initialed by the parties concerned.</p> <p>7. POSSESSION OF DOCUMENTS REQUIREMENTS DO NOT MAIL out or otherwise release documents from your office without our prior written approval. If we give written approval for you to release documents from your office for any reason, you will remain responsible for the documents and for compliance with all aspects of these Lender's Closing Instructions.</p> <p>8. MORTGAGE BROKER DISBURSALS/ THIRD PARTY FEE DISBURSALS YOU ARE INSTRUCTED TO PAY ONLY THE MORTGAGE BROKER FUNDS AND THIRD PARTY FEES IDENTIFIED ON PAGES 3 AND 4 OF THESE INSTRUCTIONS, AND ONLY AT THE TIME OF THE FINAL DISBURSAL OF THE LOAN FUNDS. BROKER FUNDS AND OTHER THIRD PARTY FUNDS ARE INCLUDED IN YOUR TOTAL WIRE DISBURSEMENT.</p> <p>9. **** DOCUMENT EXPIRATION DATE **** The loan documents are VOID and must be returned to World Savings for cancellation within 24 hours if the documents are not executed and you have not disbursed the loan funds by: 11/01/2007, THE INTEREST PAID TO DATE, OR 11/03/2007, THE COMMITMENT EXPIRATION DATE, WHICHEVER IS EARLIER. Your scheduled closing date may affect time for performance. Please call if you have any questions.</p> <p>10. REDRAW REQUIREMENTS To request a redraw, (a) contact your loan origination office, (b) return the voided loan documents and any loan funds to World, as applicable, [NOTE: World will not redraw documents unless we are in receipt of previously issued documents and funds,] and (c) notify the borrower that they may be charged a \$200.00 redraw fee per occurrence.</p> <p>11. INSTRUCTIONS FOR RETURNING DOCUMENTS Ensure that all original documents are signed and dated as required. Please retain the documents to be recorded. Forward CERTIFIED copies of the documents sent for recording, together with all other original signed documents including the final HUD-1 or HUD-1A Settlement Statement, to: WORLD SAVINGS, ATTN.: IMAGING DEPARTMENT, 4101 WISEMAN BOULEVARD, BLDG. #108, SAN ANTONIO, TEXAS 78251, <u>WITHIN 24 HOURS AFTER LOAN DISBURSAL/SETTLEMENT VIA OVERNIGHT COURIER.</u> WORLD SAVINGS WILL NOT PAY COURIER FEES.</p>	

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WORLD SAVINGS		LENDER'S CLOSING INSTRUCTIONS		LOAN NO: 0047328505	
SECTION II - TRANSACTION TERMS AND COST ALLOCATION - See Section VI for Fees Outside of Closing (POC)					
TERMS OF TRANSACTION:					
Sales Price	\$	.00	Mortgage Broker Fee - (Broker to submit demand to closer)	\$	.00
Amount of this Loan	\$	375,000.00	Provide Copy of Downpayment		
			Funds to Close	\$	
ADDITIONAL FINANCING:					
Amount	\$	.00	Interest Rate		.000
Monthly Payment	\$	.00	Term (Years)		
DISBURSAL INFORMATION					
World Loan Amount	\$	375,000.00	FIRST PAYMENT DUE DATE	12/01/07	
Broker Fee Paid by Lender	\$	7,500.00			
Broker Fee Paid by Seller	(% + \$)			\$.00 *	
* If seller paid fees EXCEED what is shown on these instructions, as closing agent you are required to contact 1-800-873-7340, for approval					
WE WILL DEDUCT THE FOLLOWING *		PAID BY BORROWER		PAID BY SELLER	
World's Loan Fee	\$	.00		\$	.00 **
World's Discount Fee	\$	.00		\$	.00 **
Saleable Loan Discount Fee	\$	.00		\$	.00 **
Mortgage Broker Fee					
(1.750% + \$ 850.00)	\$	7,412.50			
Total Broker Check	\$	.00			
Interest from date of WIRE to 11/01/07					
at \$ 84.76 day			\$ TO BE DETERMINED****		
Escrow Account Breakdown					
County Tax	0 Pymt @ \$.00	\$.00	Flood Ins	0 Pymt @ \$.00	\$.00
City Tax	0 Pymt @ \$.00	\$.00	Hazard Ins	0 Pymt @ \$.00	\$.00
School Tax	0 Pymt @ \$.00	\$.00	Mortgage Ins	0 Pymt @ \$.00	\$.00
Water Tax	0 Pymt @ \$.00	\$.00	NO HAZARD INSURANCE ESCROW		
Sp. Dist. Tax	0 Pymt @ \$.00	\$.00	NO TAX ESCROW		
Bond	0 Pymt @ \$.00	\$.00	Less Aggregate Accounting Adjustment	\$ (.00)	
Escrow Deposit Net Funded at Close per RESPA Regulations					
Application Fee		\$.00			
Appraisal/Property Evaluation Fee		\$ 325.00			
Appraisal Review Fee		\$.00			
Buydown Fee		\$.00			
Third Party Buydown Fee		\$.00			
Commitment Fee		\$.00			
Fannie Mae Automated Underwriting Fee		\$.00			
Document Preparation Fee		\$ 50.00			
Equity Builder Servicing Fee		\$.00			
Flood Zone Initial Determination Fee		\$.00 ***			
Flood Zone Ongoing Monitoring Fee		\$ 9.00 ***			
Funding Fee		\$ 50.00			
Holdback		\$.00			
Loan Origination Fee		\$.00			
Mortgage Credit Certificate (MCC) Fee		\$.00			
Mortgage Insurance Premium		\$.00			
Payoff World Loan Number		\$.00			
Processing Fee		\$ 310.00			
Redraw Fee		\$ 200.00			
Tax Service Fee		\$ 61.00 ***			
Trust Review Fee		\$.00			
Loan Sales Processing Fee		\$.00			
Employment Verification Fee		\$.00 ***			
CLOSING COSTS PAID BY WORLD (added to Funds to Closing Agent)					
Notary Fee		\$.00			
Counter Fee		\$.00			
Recording Fee		\$.00			
Title Insurance		\$.00			
Closing/Settlement Fee		\$.00			
Mortgage Tax Paid By Lender		\$.00			
TOTAL FUNDS TO CLOSING AGENT		\$ TO BE DETERMINED			
AHP Assistance Total					
		\$.00			
DPA Grant Amount Total					
		\$.00			
FUNDS FOR CLOSING AGENT DISBURSAL					
Funds to be disbursed to Broker		\$ 14,912.50 ***			
Mortgage Insurance Premium		\$.00 ***			
Funds Payable to	PAYEE #: (1)	\$.00 ***			
Funds Payable to	(2)	\$.00 ***			
Funds Payable to	(3)	\$.00 ***			
WIRE AMOUNT		\$ TO BE DETERMINED			

** Deduction of the fees listed is pursuant to our agreement to finance these loan costs. Borrower is not to pay these amounts out of his/her own cash.
 *** See Page 4 for Third Party Settlement Service Provider Names, if applicable.
 **** NOTE: The HUD-1 or HUD-1A Settlement Statement or Summary of Closing Fees must reflect the actual disbursement/funding date (1), (2), (3) See Page 4 for Payees.

(Page 4 of 11)

WORLD SAVINGS	LENDER'S CLOSING INSTRUCTIONS	LOAN NO: 0047328505
SECTION III - THIRD PARTY SETTLEMENT SERVICE PROVIDER NAME(S)		
To assist you with preparation of the HUD-1 or HUD-1A Settlement Statement, listed below are the names and addresses of the firms receiving the payments shown, if applicable		
SETTLEMENT SERVICE <ul style="list-style-type: none"> • Appraisal/Property Inspection Waiver Fee • Credit Report Provider • Fannie Mae Automated Underwriting Fee • Employment Verification Fee • Mortgage Broker Fee • Mortgage Insurance Premium • NHA Affiliate Fee • Tax Service Fee • Initial Flood Determination Fee/ Ongoing Flood Zone Monitoring Fee 	SETTLEMENT PROVIDER World Savings Bank CBC Companies, Equifax Information Service, Trans Union Corporation, Experian Consumer Center PREMIER HOME FUNDING, INC. 25332 CABOT ROAD, #100 LAGUNA HILLS, CA 92653 Neighborhood Housing Services of America Affiliated Organization First American Real Estate Tax Services First American Flood Data Services	
SECTION IV - PAYEE(S) - The following names and addresses are provided to assist you with (a) disbursement of loan proceeds and (b) preparation of the HUD-1 or HUD-1A Settlement Statement.		
PAYEE(S) NAME AND ADDRESS(ES) 1 2 3		
SECTION V - FEES PAID AT CLOSING BY LENDER		
Recording	\$.00	Title Insurance
Closing/Settlement	\$.00	Processing
Counter	\$.00	Appraisal
Application	\$.00	Mortgage/ Intangible property/
Notary	\$.00	Recording tax
		\$.00
SECTION VI - FEES PAID OUTSIDE OF CLOSING		
The following fees were paid outside of closing. Please reflect the fees on the HUD-1 or HUD-1A Settlement. DO NOT COLLECT THESE FEES AT CLOSING.		
FEES PAID OUTSIDE OF CLOSING (POC) BY BORROWER: (These are not credits)		FEES PAID OUTSIDE OF CLOSING BY LENDER:
Application	\$.00	Credit Report
Appraisal	\$.00	Loan Submission
Trust Review	\$.00	Electronic Facility
Take-Out Commitment	\$.00	Mortgage Broker-
Initial Flood Zone		
Determination	\$ 3.00	Cash Refund to Borrower
Mortgage Broker	\$.00	Tax Service
NHA Affiliate	\$.00	Initial Flood Zone Determination
Processing	\$ 97.00	Real Estate Agent Services
Mortgage Credit Certif (MCC)	\$.00	Employment Verification Fee
Rate Lock-In	\$.00	

COMPLETE THE HUD-1 OR HUD-1A SETTLEMENT STATEMENT, WHICHEVER IS APPLICABLE, AT THE TIME OF CLOSING AND FORWARD A CERTIFIED COPY WITH THE CLOSING PACKAGE, WITHIN 24 HOURS AFTER SETTLEMENT TO:

World Savings
Attn: IMAGING DEPARTMENT
4101 Wiseman Boulevard, Bldg. # 108, San Antonio, Texas 78261

NOTE: The HUD-1 or HUD-1A Settlement Statement must reflect the actual disbursement/funding date

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Page 4

CA

DISTRIBUTION 1 COPY-CLOSER 1 COPY-LOAN CENTER 1 COPY-LOAN FILE

WM 62

You are instructed to have the following documents properly executed and notarized (as required). Documents to be recorded must be submitted for recording immediately upon settlement. See Page 2 for instructions for returning documents. **ON THE DAY THE DOCUMENTS ARE SIGNED, YOU MUST GIVE BORROWERS A COPY OF ALL DOCUMENTS IN CONNECTION WITH THIS LOAN.**

RECORD THE DOCUMENTS BELOW (NOTARY REQUIRED)

- (X) Security Instrument dated 10/05/07 for \$375,000.00 including the attached Exhibit "A" Legal Description (see instructions for preparing Exhibit "A" on Page 6 of these instructions)
- () Security Instrument securing the Downpayment Assistance Repayment Agreement dated for \$ including the attached Exhibit "A" Legal Description (see instructions for preparing Exhibit "A" on Page 6 of these instructions)

RIDERS TO THE SECURITY INSTRUMENT

(x) RIDERS WITHOUT A RECORDING REQUEST MUST BE ATTACHED TO THE SECURITY INSTRUMENT AND RECORDED TOGETHER.

- () Rider-Second Home
- () Rider-Borrower's Warranty of Financing Terms (QQ)
- () Rider-Fixed Rate
- () Rider-Fixed/Adjustable Rate
- () Rider-1-4 Family Rider, Assignment of Rents
- () Rider-Planned Unit Development
- () Rider-Adjustable Rate
- () Rider-Additional Collateral Pledged
- () Rider-Fixed Rate Option Feature
- () Rider-Condominium
- () Rider-Demand Provision
- () Rider-Cross Collateralization and Default

OTHER DOCUMENTS

- () Request for Notice (see preparation instructions in section VIII on Page 6 of these instructions)
- () Homestead Waiver Exemption (CO)
- () Waiver of Borrower's Rights/Closing Attorney Affidavit/Foreclosure Disclosure (GA)
- () Voluntary Designation of Homestead and Exhibit "A" with legal description
- () Texas Home Equity Affidavit and Agreement
- () Transfer of Lien (TX) including the attached Exhibit "A" Legal Description (see instructions for preparing Exhibit "A" on Page 6 of these instructions)
- ()

DELIVER TO BORROWER - DO NOT RETURN OR RECORD

- () IRS W-4 Employee Withholding Allowance Certificate, Adjustment Notice (MCC)
- () Valuation Disclosure (VA)
- (X) Itemization of the Amount Financed
- (X) FACTA Notice to Home Loan Applicant/
Credit Score Notification
- () Addendum to Welcome Letter

DO NOT RECORD (RETURN SIGNED)

- (X) Promissory Note
- () Rider to Promissory Note - Temporary Payment Options
- () Account Opening Advance Request
- () ELOC Agreement and Disclosure Statement
- () Modification to Note
- (X) Regulation Z Disclosure
- () Loan Program Disclosure
- (X) Document Correction Agreement
- () Holdback Agreement
- () Buydown Agreement
- (X) Notice of Fire/Hazard Insurance Requirements
- (X) Notice of Right to Cancel (each consumer with an ownership interest in the property, including non-borrowing spouse when applicable, must acknowledge receipt and be given two copies to keep)
- () Information Sheet for Non-primary U.S. Applicant
- () Tax Bill Authorization Letter
- (X) Acknowledgement Letter
- (X) Prepay Feature Acknowledgement Letter
- (X) Notice of Special Flood Hazard Insurance
- (X) Loan Application Addendum - Second Request for Information
- () Lender's Release and Indemnity Agreement (MCC Program)
- () Personal Guaranty (include mailing address of first signer)
- () Notification of Rate Lock-in Period and Estimated Processing Time (VA)
- (X) Escrow Account Agreement
- () Employee Benefit Disclosure
- () Initial Escrow Account Statement
- (X) Referral Notice(s) W&IA
- (X) Mortgage Servicing Transfer Disclosure (each borrower must sign)
- () Security Agreement and Security Assignment Under Land Trust (Assignment of Beneficial Interest) (IL)
- () Addendum to Note and Security Agreement and Security Assignment Under Land Trust (Assignment of Beneficial Interest) (Exculpatory Rider) (IL)
- () Disclosure Regarding Availability of Interim Financing, Legal Representation and Appraisal (CT)
- (X) Verification of Personal Information
- () Closing Agent Transmittal (MA)
- () Equity Builder - EFT Authorization
- () Mortgage Insurance Notice
- () ACORN Closing Certificate
- () Acknowledgement of Value-Notarized (TX)
- () Receipt of Closing Documents (TX)
- () Texas Equity Special Closing Instructions (TX)
- () Equity Line of Credit-Final Confirmation of Closing Fees paid by World Savings
- () Attorney/Insurance Preference Form (SC) (each borrower must sign)
- ()
- () Texas Equity Loan Application Addendum (TX)
- () Location For Notices Texas Equity Loans (TX)
- (X) Request for Initial Payment Amount
Pick-A-Payment Loan
- ()
- ()
- ()
- ()
- ()
- ()
- ()
- ()

SEE NEXT PAGE FOR ADDITIONAL DOCUMENTS

WORLD SAVINGS	LENDER'S CLOSING INSTRUCTIONS	LOAN NO: 0047328505
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SECTION VIII - DOCUMENTS PREPARED OR FORWARDED BY CLOSING AGENT**PREPARE AND/OR ENSURE EXECUTION OF THE FOLLOWING DOCUMENTS. RETURN WITH CLOSING PACKAGE TO WORLD**

If there are any changes in the terms on this page, call 1-800-873-7340 to request verbal approval.

- (X) HUD-1 or HUD-1A Settlement Statement *
 - () Certified copies of Buyer's Affidavit of Title and Seller's Affidavit of Title (NJ)
 - () Certified copies of Affidavit to insure against mechanic's/maternalmen's lien(s)
 - () Special Closing Instructions for Land Trusts (IL)
 - () Lead Paint form(s) - Notification and Indemnification, if applicable (MA)
 - () Smoke Detector form(s) - Certification and Indemnification (MA)
 - () Septic System form(s) - Certification and Indemnification, if applicable (for properties with septic systems) (MA)
 - () 6D Certificate (for condominium loans in MA)
 - () Certified copy of the Homestead Designation Affidavit (TX)
 - (X) For QQ loans, provide evidence of the source of funds for the downpayment and closing costs
 - () You may record a concurrent security instrument, securing a note, in the amount of \$ as subordinate junior lien to our first lien. Please forward a certified copy of the note and security instrument
 - () You must record a Subordination Agreement in the amount of \$ subordinating a prior recorded lien to our Security Instrument (You are insuring our first lien position) Please forward a certified copy of the Subordination Agreement
 - () Forward a certified copy of the GRANT/WARRANTY DEED/BARGAIN AND SALE DEED
- NOTE: If the vesting on the Grant/Warranty Deed/Bargain and Sale Deed differs from our Security Instrument, you must call 1-800-873-7340 IMMEDIATELY.**
- () For all states with a Request for Notice of Default and/or Sale (i) complete all blank sections of the Request for Notice, (ii) attach the legal description to the Notice if the Notice references an Exhibit A or if the legal description is necessary for recording, (iii) sign the Notice as Limited Agent for World, and have the signature notarized, and (iv) send the Notice to be recorded. Forward a CERTIFIED copy of the Notice sent for recording to the address shown on Page 2 of these instructions

FOR ALL STATES EXCEPT MISSISSIPPI AND WASHINGTON

- (X) Preparing Exhibit "A" - Detach the legal description from your Preliminary Title Report/Commitment to Insure dated 09/11/07. Using clear tape, attach the legal description to the Exhibit "A" page and photocopy. **THE CORRECT LEGAL DESCRIPTION MUST BE ATTACHED TO THE APPLICABLE DOCUMENT BEFORE IT IS SIGNED BY THE BORROWER.** Attach the photocopy of the legal description to our Security Instrument and submit for recording.
- Return a certified copy of the Security Instrument including the legal description in the closing package.

FOR TEXAS EQUITY LOANS ONLY

- () THE CORRECT LEGAL DESCRIPTION MUST BE ATTACHED TO THE APPLICABLE DOCUMENT **BEFORE** IT IS SIGNED BY THE BORROWER. Attach a photocopy of the legal description to the voluntary designation of homestead and submit for recording. Return a certified copy of the Voluntary Designation of Homestead including the legal description in the closing package.

FOR MISSISSIPPI STATE ONLY

- () Preparing Exhibit "A"
- Complete the Indexing Information section located on the attached Exhibit "A" page of the Security Instrument.
- Detach the legal description from your Preliminary Title Report/Commitment to Insure dated . Using Clear tape, attach the legal description to the Exhibit "A" page and photocopy. Attach the photocopy of the legal description to World's Security Instrument. As Exhibit "A", the correct Legal Description must be attached to the Security Instrument and the Indexing Information must be completed before the Security Instrument is signed by the Borrower. Submit the entire signed and dated Security Instrument for recording.
- Return to World a certified copy of the Security Instrument, including the legal description, in the closing package

FOR WASHINGTON STATE ONLY

- () Washington State County Auditor/Recorder's Indexing Form (Cover Sheet) - Detach the abbreviated legal description from your Preliminary Title Report/Commitment to Insure dated . Using clear tape, attach the abbreviated legal description to the Cover Sheet and photocopy. Attach the photocopy of the Cover Sheet to the Deed of Trust prior to recording.
 - () Preparing Exhibit "A" - Detach the legal description from your Preliminary Title Report/Commitment to Insure dated . Using clear tape, attach the legal description to the Exhibit "A" page and photocopy. **THE CORRECT LEGAL DESCRIPTION MUST BE ATTACHED TO THE APPLICABLE DOCUMENT BEFORE IT IS SIGNED BY THE BORROWER.** Attach the photocopy of the legal description to our Security Instrument and submit for recording.
- Return a certified copy of the Security Instrument including the legal description in the closing package.

SEE NEXT PAGE FOR "TITLE INSURANCE" REQUIREMENTS

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WORLD SAVINGS	LENDER'S CLOSING INSTRUCTIONS	LOAN NO: 0047328505
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SECTION IX - TITLE INSURANCE

THE NAMES SHOWN ON THE ENCLOSED SECURITY INSTRUMENT MUST BE EXACTLY AS TITLE TO THE PROPERTY IS HELD. IF THE NAMES ON THE SECURITY INSTRUMENT DIFFER FROM THE NAMES ON TITLE, PLEASE CALL 1-800-873-7340.

YOU MUST SEND THE TITLE POLICY OR TITLE PRODUCT CHECKED BELOW TO THE ADDRESS INDICATED ON THE SECOND PAGE OF THESE INSTRUCTIONS WITHIN THE TIME FRAME REQUIRED.

- (X) WORLD SAVINGS WILL ACCEPT AN ORIGINAL ALTA SHORT FORM LENDER'S TITLE POLICY. THE ORIGINAL SHORT FORM TITLE POLICY MUST REFERENCE OUR LOAN NUMBER AND BE RETURNED TO US WITH THE EXECUTED CLOSING PACKAGE WITHIN 24 HOURS AFTER SETTLEMENT.
- (X) In the event a Short Form Title Policy is not available, World Savings will accept an original Long Form Lender's Title Policy. The original Long Form Title Policy must reference our Loan Number and be received by us within 30 business days after settlement.
- (X) WORLD SAVINGS WILL ACCEPT A CREDITORS' RIGHTS EXCEPTION ONLY IF IT IS IN THE FORM OF THE 1992 REVISION TO THE ALTA POLICY OF TITLE INSURANCE
- () Collect for Survey/Improvement Location Certificate and remit to survey company, if applicable
- () Provide survey, certified copy of survey, or existing survey affidavit, whichever is applicable/required
- (X) The Title Policy must include the following Endorsements 100, 111.8, 116, 8.1, 103.5, 103.1, 100.23
- (X) The Title Policy may only include the following Exceptions identified in your Preliminary Title Report/Commitment to Insure dated 09/11/07
: A-C P/C, D, E, 1
- (X) The Title Policy must not contain an exception to coverage for the interest of any spouse

EQUITY LINES OF CREDIT LOANS ONLY

- () WORLD SAVINGS REQUIRES THE FOLLOWING TYPE OF TITLE PRODUCT WHICH MUST BE PROVIDED TO US NO LATER THAN 30 DAYS AFTER SETTLEMENT:
- (X) The Security Instrument in the amount of \$375,000.00 is to be recorded in FIRST lien position. This must be reflected on the Title Policy or Title Product checked above, if any
- (X) Issue the Lender's Title Insurance Policy or Title Product, as checked above, in the amount of \$375,000.00 to World Savings, its successors and/or assignees
- (X) No secondary financing is permitted. Notify World prior to closing, if there is a concurrent closing of another loan, or any transfer of title to the same property

FOR LOANS CLOSING CONCURRENTLY WITH ANOTHER WORLD LOAN

- () Refer to the Closing Instructions for the World concurrent loan number for additional title coverage instructions

FOR TEXAS RATE AND TERM REFINANCES ONLY (NO EQUITY LOANS)

- () You are to obtain P-39 (b) Express Insurance with the title policy insuring against
"Possible defect in the lien of the insured mortgage because of the Insured's inclusion of closing costs including mortgage broker compensation in the original principal of the indebtedness secured by the insured mortgage"

SPACE INTENTIONALLY LEFT BLANK.

WORLD SAVINGS	LENDER'S CLOSING INSTRUCTIONS	LOAN NO:0047328505
SECTION X - TAXES/HAZARD/FIRE/FLOOD/INSURANCE		

(X) TAXES AND ALL ASSESSMENTS (including Homeowner's Association Assessments) PROPERTY TAX BILLS RELEASED OR DUE WITHIN 90 DAYS OF CLOSING MUST BE PAID CURRENT.

() Complete and return the Escrow Account Agreement form with the HUD-1 or HUD-1A Settlement Statement if taxes are paid at closing

(X) Please review the attached "Closing Agent Notification of Fire/Hazard Insurance Requirements" form, which is incorporated herein by reference. Ensure that all requirements are met prior to loan settlement including, but not limited to, the policy amount and standard mortgagee clause

(X) As closing agent you are responsible for ensuring that the borrower brings acceptable proof of insurance and evidence of payment as outlined in item #7 of the "Closing Agent Notification of Fire/Hazard Insurance Requirements" form. You must deliver this proof of insurance and evidence of payment to World Savings within 24 hours of loan settlement along with the executed documents

() This loan requires flood insurance. Please review the attached "Closing Agent Notification of Flood Insurance Requirements" form to ensure that all requirements are met prior to loan settlement. Borrower must provide proof of paid flood insurance policy prior to closing.

SECTION XI - STATE SPECIFIC REQUIREMENTS

ITEMS MARKED WITH AN "X" ARE REQUIREMENTS FOR YOUR STATE.

FOR LOANS IN ALL STATES

(X) You are authorized to record our documents and disburse funds only when you have complied with all of our instructions and there are no unauthorized alterations

FOR RIDERS ATTACHED TO THE SECURITY INSTRUMENT FOR RECORDING

(X) FOR ALL STATES EXCEPT PA, you are instructed to ensure that all riders to the Security Instrument included in the closing package are (1) executed, (2) attached to our Security Instrument and (3) submitted for recording.

FOR ALL ARIZONA TITLE PRODUCTS ONLY

() Even if the name(s) of the borrower(s) in this transaction has/have not been searched in the public records the title insurer must issue a policy/product that insures that our lien is superior to matters such as proceedings, liens, or decrees against buyer(s) that do not specifically describe the property securing our loan, but may affect the title or impose liens or encumbrances thereon

FOR CONNECTICUT LOANS ONLY

() Please deliver to the Mortgage Broker for this transaction, whose name and address appears on these Closing Instructions, signed copies of the Federal Truth in Lending Disclosure, Notice of Right to Cancel (if applicable), Initial Escrow Account Statement (if applicable), Promissory Note, Mortgage, and HUD-1 or HUD-1A Settlement Statement [CONN GEN STAT §36A-493]

FOR GEORGIA LOANS ONLY

() You must ensure that "Total Broker Fees Paid" and other points and fees as defined in the Georgia Fair Lending Act cannot exceed 4.99% of the loan amount. Do not close this loan if (1) there are any additional broker fees that are not on World's Georgia Preferred Mortgage Broker Demand Statement or, (2) total points and fees exceed 4.99%.

FOR ILLINOIS LOANS ONLY

() For loans closed in Cook County, Illinois, prior to funding, the closer must obtain the necessary Certificate of Compliance or Certificate of Exemption (as applicable), as issued by the Illinois Department of Financial and Professional Regulation Predatory Lending Database in accordance with the provisions of 765 ILCS 77/770 et seq

FOR LOUISIANA LOANS ONLY

() The closer is instructed to complete the name of the Borrower(s)' spouse(s) on page 19, the Identification and Marital Status page of the Security Instrument

() Photocopy the signed and dated Security Instrument. Send the photocopy to the recording office with the original signed and dated Security Instrument. Request that the photocopy of the Security Instrument be stamped and returned to: WORLD SAVINGS, ATTN: IMAGING DEPARTMENT, 4101 WISEMAN BOULEVARD, BLDG #108, SAN ANTONIO, TEXAS 78261

FOR MARYLAND LOANS ONLY

() Do not add Refinance Transfer Information language directly onto our Deed of Trust. When applicable, prepare an Affidavit of Refinance, attach to our Deed of Trust and submit to the county recorder's office for recording

FOR NEW YORK LOANS ONLY

() Prior to recording, complete section 25 "Borrower's Statement Regarding the Property" of the Security Instrument for fixed rate loans

FOR PENNSYLVANIA LOANS ONLY

() You are instructed to ensure that (a) all riders to the Security Instrument included in the closing package are recorded as separate documents and (b) all pages of the documents sent for recording are arranged in numerical order. **DO NOT ATTACH THE RIDERS TO OUR SECURITY INSTRUMENTS.**

FOR TENNESSEE LOANS ONLY

() For Fannie Mae fixed, Closed 2nds, and ELOC loans. Complete the Borrower's source of interest paragraph appearing in our Security Instrument, prior to recording. The Borrower's source of interest paragraph appears on Page 1 of our Security Instrument for closed second and second loans and Page 3 of our Security Instrument for Fannie Mae fixed rate loans.

For ARMs: Include the Borrower's source of interest paragraph as a part of Exhibit "A" to the Security Instrument.

SEE NEXT PAGE FOR ADDITIONAL "STATE SPECIFIC REQUIREMENTS"

WORLD SAVINGS	LENDER'S CLOSING INSTRUCTIONS	LOAN NO:0047328505
SECTION XI - STATE SPECIFIC REQUIREMENTS - CONTINUED		

ITEMS MARKED WITH AN "X" ARE REQUIREMENTS FOR YOUR STATE.

FOR TEXAS LOANS ONLY

- () Please issue Express Insurance, if, after review of the property survey, your title policy will include any exception(s) in Schedule B for encroachments, lot violations, etc
- () Please issue Deletion of Arbitration Provision as part of the final title policy. Do not sign, record or return this provision as an individual document
- () If the Property is Non-Owner Occupied, World requires a signed and recorded Homestead Designation Affidavit from borrower vanyfing some other property as the homestead. If borrower is married, borrower's spouse must sign as well. Signatures must be notarized. You must record the Affidavit in the county where the homestead property is located and submit a certified copy including recording information to World Savings
- () If the Property is the borrower's homestead and the loan proceeds exceed the amount necessary to pay off the existing purchase money loan and permitted costs, you may not close this loan. Instead you must return the loan documents to World to be redrawn together with the loan funds
- () If this is a Texas Equity loan, refer to Special Closing Instructions for Texas Equity loans for additional instructions. If you did not receive these instructions, contact us immediately
- () If this is a Texas Equity Loan, you must (a) fill in the name of the current record title holder on the Voluntary Designation of Homestead form prior to the signing and recording, (b) ensure that the Designation is properly signed and notarized (if borrower is married, you must obtain the Spouse's signature as well), and (c) record the Designation and return the recorded copy to World Savings
- () If this is a Texas Equity Loan, you must ensure that the Location For Notices Texas Equity Loans document is signed by all borrowers and returned to World

FOR WISCONSIN LOANS ONLY

- () This loan requires a Personal Guaranty. All Guarantors must sign the Personal Guaranty. If the Guarantor(s) is a married person and the spouse is not also a Guarantor on the loan, the spouse must sign the Spousal Consent signature page located as the last page of the document

SECTION XII - ADDITIONAL REQUIREMENTS

(X) **SPECIAL POWER OF ATTORNEY**

If the borrower is granting power of attorney to a person who will act as attorney-in-fact and sign the loan documents, we require a certified copy of the valid Special Power of Attorney which specifically references (1) the name of the person who will act as attorney-in-fact, (2) the property which is the subject of the loan transaction, (3) the transaction must be identified as a purchase or a refinance*, and (4) the date the Special Power of Attorney was granted, which must be within the previous six months. Variations in the requirements set forth in items 1 through 4, in a Special Power of Attorney, are acceptable only when necessary to comply with state law. Note: World will not accept a power of attorney for a trustee of a trust.

You are instructed to type or legibly print the "Special Power of Attorney" designation on the signature page of the security documents

* For Texas Equity loans, the Special Power of Attorney must specifically authorize a loan under Section 50(a)(6), Article XVI of the Texas Constitution

(X) **PERSONAL INFORMATION**

You shall hold Personal Information in strict confidence and take all measures reasonably necessary to preserve its confidentiality and to dispose of it properly. Personal Information means information identifiable to a particular World customer

(X) **DO NOT DISBURSE ANY FUNDS PRIOR TO THE EXPIRATION OF THE CANCELLATION PERIOD DESCRIBED IN THE ENCLOSED "NOTICE OF RIGHT TO CANCEL."**

(X) **HUD EARLY CLOSING BONUS CHECKS**

When applicable, forward lender's "Early Closing Bonus" check from HUD to World Savings with the closing documents

PAYOFF OF EXISTING WORLD LOANS

- () Payoff loan number _____ will be by separate payoff demand at closing/escrow
- () For questions regarding Payoffs please call 1-800-642-0257 or Fax 210-509-1121

PREPAID INTEREST CALCULATION (NOT APPLICABLE TO FLOC)

World calculates prepaid interest from either (a) the date the funds are wired to you, or (b) the scheduled loan settlement (disbursement) date if funds are provided to you by check. If the actual settlement date shown on the certified settlement statement is later than the scheduled settlement date, World may owe the borrower a refund. At World's discretion, any prepaid interest may either be credited to the principal balance of the borrower's loan or refunded directly to the borrower by check. World will not send a refund check to any party other than the borrower. Please close this loan based on the figures shown on page 3 of this document

SEE NEXT PAGE FOR "SPECIAL INSTRUCTIONS"

WORLD SAVINGS	LENDER'S CLOSING INSTRUCTIONS	LOAN NO: 0047328505
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SECTION XIII - SPECIAL INSTRUCTIONS

SPECIAL INSTRUCTIONS:

- (☒) In compliance with Subsection §6045 of the Internal Revenue Code and as the person responsible for closing this real estate transaction, you will file as the Reporting Person an information return with the Internal Revenue

FACTA Compliance

- (☒) Deliver each FACTA Notice to Home Loan Applicant/Credit Score Notification to the applicable Borrower

Non-Titled Spouse Signature Requirements*

- () If the Borrower(s) is married and holds or is taking title individually, the non-titled spouse(s) must sign either (1) the regular signature page of the Security Instrument, or (2) the special BORROWER(S)' SPOUSE(S)' signature page if provided. Alternatively, the non-titled spouse may at their election, divest him/herself of any and all interest that they may have in the property. If the non-titled spouse elects to divest him/herself of their interest in the property, you must provide World with a certified copy of the executed and recorded Quitclaim or other deed evidencing such divestiture.

* If an ALTA Lender's title insurance policy is required under Section IX of these Lender's Closing Instructions, and such policy will be issued without exception for the interest of the non-titled spouse, World may waive the requirements of (1) and (2) above in writing. Contact World at 210-543-6222 to obtain a written waiver.

Right to Rescind

- (☒) This loan is subject to the right to rescind. The Notice of Right to Cancel form is date sensitive. You must ensure that the dates on the Notice of Right to Cancel are correctly completed as set forth in the attached "Notice of Right to Cancel Instructions."
- (☒) Provide each person having a right to rescind this transaction with two (2) copies of the Notice of Right to Cancel form and one copy of the Regulation Z Disclosure no later than the day they sign the loan documents.
- (☒) DO NOT DISBURSE ANY FUNDS PRIOR TO THE EXPIRATION OF THE CANCELLATION PERIOD DESCRIBED IN THE "NOTICE OF RIGHT TO CANCEL" COMPLETED AS SET FORTH IN THE ATTACHED "NOTICE OF RIGHT TO CANCEL INSTRUCTIONS."

NOTICE OF RIGHT TO CANCEL INSTRUCTIONS**I. Make Certain the Notice of Right to Cancel Contains the Correct Dates:**

Included in World's loan document package are three copies of the Notice of Right to Cancel ("Notice") for each person entitled to receive copies of the Notice under the federal Truth In Lending Act. You must take the following steps in regard to the Notice:

A. Confirm that the specific date stated in subsection (1) of the "Your Right to Cancel" Section of each copy of the Notice is the actual date the borrowers sign the Note and Security Instrument. If the date the borrowers sign the Note and Security Instrument is different than the date set forth in subsection (1) of the "Your Right to Cancel" Section of the Notice, then the date set forth in subsection (1) of every copy of the Notice must be changed to the date the borrowers sign the Note and Security Instrument. You must then have the corrected date on each copy initialed by the person who is to receive that Notice.

B. Confirm that the specific date stated in the "How To Cancel" Section of the Notice is the third business day, as determined below, following the date the borrower signs the Note and Security Instrument (the "Third Business Day").

If the date in the "How To Cancel" Section is not the Third Business Day, you are instructed to cross out the incorrect date and insert the correct Third Business Day on all copies of the Notice. You must then have the corrected Third Business Day on each copy initialed by the person who is to receive that Notice.

For purposes of calculating the Third Business Day:

- Saturday is always counted as a business day.
- Day 1 is the business day after the borrower signs the Note and Security Agreement.
- Sundays and federal legal holidays are not counted as business days (See the Federal Legal Holidays Chart below).

Federal Legal Holidays	
New Year's Day	January 1
Martin Luther King Jr. Day	3rd Monday of January
President's Day	3rd Monday of February
Memorial Day	Last Monday of May
Independence Day	July 4
Labor Day	1st Monday of September
Columbus Day	2nd Monday of October
Veteran's Day	November 11
Thanksgiving Day	4th Thursday of November
Christmas Day	December 25

II. Provide Copies to Persons Entitled to Rescind:

You must provide each person having a right to rescind this transaction under the terms of the federal Truth In Lending Act with two (2) copies of the Notice and one copy of the "Federal Truth In Lending Disclosure Required by Regulation Z" on the day that they sign the loan documents. Have each recipient of the Notice sign the Acknowledgement of Receipt of Copies section of the third copy of the Notice provided to you for that person and return it with the closing package.

THE SPECIAL INSTRUCTIONS SECTION IS CONTINUED ON THE NEXT PAGE

(Page 11 of 11)

WORLD SAVINGS	LENDER'S CLOSING INSTRUCTIONS	LOAN NO: 0047328505
SECTION XIII - SPECIAL INSTRUCTIONS - CONTINUED		

- (X) RECEIPT OF SIGNED WORLD SAVINGS LOAN DISCLOSURES.
- (X) NON-BORROWING SPOUSE TO SIGN SECURITTY INSTRUMENTS
- (X) TEAM CONTACTS: *PROCESSOR: TESSA KUNZ - FAX# 866-490-1631,
TKUNZ746@WORLDSAVINGS.COM *UNDERWRITER: STACY VERSH -
SVERSH451@WORLDSAVINGS.COM -->PLEASE EMAIL US FOR FILE STATUS AND FAX ALL
CONDITIONS TO TESSA. WE CAN ALSO BE REACHED @ (714) 966-3804. THANK YOU
- (X) CERTIFIED COPY OF AN ESCROW AMMENDMENT REGARDING LENDER,RATE AND TERM
- (X) ATTENTION CLOSING AGENTS - PLEASE REFER TO PAGE 2, ITEM #3 - PATRIOT ACT.
- (X) LOAN APPLICATION ADDENDUM TO BE COMPLETED AND SIGNED TO INCLUDE SOCIAL
SECURITY NUMBER ON PAGE 4 OF 4 AND RETURNED WITH CLOSING PACKAGE
- (X) BORROWER TO SIGN REQUEST FOR INITIAL PAYMENT AND RETURN WITH CLOSING
PACKAGE.
- (X) PROOF OF HAZARD INSURANCE TO BE PROVIDED AT CLOSING AND RETURNED WITH
CLOSING PACK
- (X) ATTN CLOSING AGENT: IF BROKER FEES DIFFER FROM WHAT IS DISCLOSED ON THE
LENDER'S CLOSING INSTRUCTIONS, PLEASE CALL 1-800-873-7340 FOR SPECIFIC APPROVAL
OR FURTHER INSTRUCTION.

***** SPACE INTENTIONALLY LEFT BLANK *****